

**Return on Investment Program Funding Application (FY 2003 Request)**

This is an electronic template. Please enter your responses on this document. Only electronic submittals of this template will be accepted. Proposals submitted after the designated due date may not receive funding consideration.

**FINAL AUDIT REQUIRED:** The Enterprise Quality Assurance Office of the Information Technology Department is required to perform a final project outcome audit, after implementation, for all Pooled Technology funded projects.

**SECTION I: PROPOSAL**

Date: 7/17/01

Agency Name: Human Services

Project Name:

Expenditure Name: DHS IT Infrastructure Maintenance

Agency Manager: Steve Mosena

Agency Manager Phone Number / E-mail: 515-281-6679

Executive Sponsor (Agency Director or Designee): Lorrie Tritch

**Request For ROI Application Waiver:**

Agencies are required to complete this funding application when requesting funds for any project, any IT expenditure costing over \$100,000, or any non-routine IT expenditure. If you feel there is compelling reason to waive this requirement, please provide (in the box provided below) a brief description of the project or expenditure, the budget amount, and a rationale for the waiver request. Until a decision is made regarding your waiver request, it is not necessary to complete any other portion of this application. The ITD Enterprise Quality Assurance Office will convey waiver request decisions within five working days of receipt.

**Explanation:****A. Project or Expenditure Rationale**

Is this project or expenditure necessary for compliance with a Federal standard, initiative, or statute? ☒ **YES** (If "YES," explain) ☐ **NO**

**Explanation:** These routine expenditures are necessary to support and maintain the DHS Infrastructure needed by DHS to perform its core business functions. They enable DHS to support programs in place to meet Federal standards, initiatives and statutes.

Is this project or expenditure required by State statute? ☒ **YES** (If "YES," explain) ☐ **NO**

**Explanation:** These routine expenditures are necessary to support and maintain the DHS Infrastructure needed by DHS to perform its core business functions. They enable DHS to support programs in place to meet State statutes.

Does this project or expenditure meet a health, safety or security requirement?

☒ **YES** (If "YES," explain) ☐ **NO**

**Explanation:** The DHS IT Infrastructure is utilized by nearly 5700 FTE as well as contracted professional to provide essential services to the citizens of the State of Iowa. The services are provided from our State Facilities, Child Support, Field, Refugee and Case Management offices which offer services ranging for the care of the disabled to the protection of children and families. The DHS Enterprise supports all staff and contracted professionals with communication systems, application access and reporting. These routine expenditures are necessary to support and maintain the DHS Infrastructure needed by DHS to perform its core business functions. They enable DHS to support programs in place to meet health, safe and security requirements.

Is this project or expenditure necessary for compliance with an enterprise technology standard?

☒ **YES** (If "YES," explain) ☐ **NO**

**Explanation:** The DHS IT infrastructure maintenance is necessary to remain in compliance with Enterprise Technology Standards.

Is this project or expenditure consistent with meeting the goals and objectives of the State's strategic plans?

☒ **YES** (If "YES," explain) ☐ **NO**

**Explanation:** These routine expenditures supports the DHS IT Infrastructure which in turn is needed for State Strategic Plans including; e-government, 100 e by 2003, Reconnecting Iowans.

Is this a "research and development" project or expenditure? ☐ **YES** (If "YES," explain) ☒ **NO**

**Explanation:**

## B. Project or Expenditure Summary

1. Provide a pre-project or pre-expenditure (before implementation) and a post-project or post-expenditure (after implementation) description of the impacted system or process. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

**Response:** These routine expenditures are necessary to maintain the DHS IT Infrastructure. All costs associated with establishing the DHS IT Infrastructure had been expended in previous FYs and is considered ongoing maintenance and support of the infrastructure. Routine expenditures continue yearly to support the DHS IT Infrastructure and are considered a normal operating expense.

2. Summarize the extent to which the project or expenditure improves customer service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

**Response:** The DHS IT Infrastructure is necessary for DHS staff and professional contractor to provide the core services DHS has been commissioned to perform. Maintenance of this system is necessary to ensure this system remains available with minimal interruptions. Without the maintenance of this system, DHS would risk periods of extended network outages causing disruption of services to the Citizens of Iowa. This in turn deteriorates the quality of life, increases government hassle factors, hinders timely services, and derails work processes.

3. Identify the main project or expenditure stakeholders and summarize the extent to which each, especially citizens, is impacted. In particular, note if the project or expenditure helps reconnect Iowans to State government.

**Response:**

DHS, Other State Agencies, Public and Private Entities, Federal Agencies and the Citizens of Iowa. - Maintenance is necessary to continue core business practices without unnecessary delays.

## **SECTION II: PROJECT ADMINISTRATION**

### **A. Agency Information**

1. Project Executive Sponsor Responsibilities: The sponsor must have the authority to ensure that adequate resources are available for the entire project, that there is commitment and support for the project, and that the organization will achieve successful project implementation.

**Response:** No response required.

2. Organization Skills:

- a. List the project management skills necessary for successful project implementation
- b. List the project management skills available within the agency
- c. List the source(s) of project management skills lacking within the agency
- d. Summarize relevant agency project management experience and results

**Response:**

- a. Not Applicable - Routine expenditures are for Annual DHS IT Infrastructure Maintenance
- b. Not Applicable
- c. Not Applicable
- d. Not Applicable

### **B. Project Information**

1. History:

- a. Is this project the first part of a future, larger project? If so, please explain.
- b. Is this project a continuation of a previously begun project? If so, please explain project history, current status, and results.

**Response:**

- a. No. Routine expenditures are for Annual DHS IT Infrastructure Maintenance
- b. Not Applicable

2. Expectations: Describe the primary purpose or reason for the project.

**Response:** Routine expenditures are to continue routine annual maintenance and support of DHS IT Infrastructure so as to provide reliable connectivity.

3. Measures: Describe the criteria that will be used to determine if the project is successful.

**Response:** Not Applicable. Routine expenditures are necessary to maintain the DHS IT Infrastructure.

4. Environment: List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, etc.).

**Response:** DHS, Citizens, other State and Federal Agencies

5. Risk: Describe the project risks which may be internal or external to State government, i.e. implementing versus not implementing project, changing technology, potential cost overruns, changing citizen demand or need, etc.

**Response:** Risk of discontinuing annual maintenance includes extended outages for sites that provide direct service and benefits to the citizens of Iowa. These routine expenditures are normal operating cost of the DHS IT Infrastructure.

6. Security / Data Integrity / Data Accuracy / Information Privacy
  - a. List the security requirements of the project
  - b. Describe how the security requirements will be integrated into the project and tested
  - c. Describe what measures will be taken to insure data integrity, data accuracy and information privacy.

**Response:**  
a. Not Applicable. Security Measure already in place as normal part of a Network Environment  
b. Not Applicable.  
c. Not Applicable

7. Project Schedule  
Describe general time lines, resources, tasks, checkpoints, deliverables, responsible parties, etc.

**Response:** Not applicable. Annual routine expenditures are necessary for on-going maintenance and support of DHS IT Infrastructure

**SECTION III: TECHNOLOGY** (In written detail, describe the following)**A. Current Technology Environment**1. Software (Client Side / Server Side / Midrange / Mainframe):

- a. Application software
- b. Operating system software
- c. Major interfaces to other systems, both internal and external

**Response:**

- a. Not Applicable
- b. Not Applicable
- c. Not Applicable

2. Hardware (Client Side / Server Side / Mid-range / Mainframe):

- a. Platform, operating system
- b. Storage and physical environment
- c. Connectivity and bandwidth
- d. Logical and physical connectivity
- e. Major interfaces to other systems, both internal and external

**Response:**

- a. Not Applicable
- b. Not Applicable
- c. Not Applicable
- d. Not Applicable
- e. Not Applicable

**B. Proposed Technology Environment**1. Software (Client Side / Server side / Mid-range / Mainframe)

- a. Application software
- b. Operating system software
- c. Major interfaces to other systems, both internal and external
- d. General parameters if specific parameters are unknown or to be determined

**Response:**

- a. Not Applicable
- b. Not Applicable
- c. Not Applicable
- d. Not Applicable
- e. Not Applicable

2. Hardware (Client Side / Server Side / Mid-range / Mainframe)

- a. Platform, operating system
- b. Storage and physical environment
- c. Connectivity and Bandwidth
- d. Logical and physical connectivity

- e. Major interfaces to other systems, both internal and external  
f. General parameters if specific parameters are unknown or to be determined

**Response:**

- a. Not Applicable  
b. Not Applicable  
c. Not Applicable  
d. Not Applicable  
e. Not Applicable  
f. Not Applicable

**C. Data Elements**

If the project creates a new database, provide a description of the data elements.

**Response:** None created.

**SECTION IV: Financial Analysis**

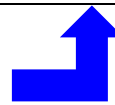
**A. Budget:** Enter figures and calculate (see formula below) Total Annual Prorated Cost (State Share).

$$\left[ \left( \frac{\text{Budget Amount}}{\text{Useful Life}} \right) \times \% \text{ State Share} \right] + (\text{Annual Ongoing Cost} \times \% \text{ State Share}) = \text{Annual Prorated Cost}$$

Budget Line Items	Budget Amount (1 <sup>st</sup> Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1 <sup>st</sup> Year)	% State Share	Annual Prorated Cost
Agency Staff	\$	1	%	\$	%	\$
Software	\$	4	%	\$	%	\$
Hardware	\$	3	%	\$	%	\$
Training	\$	4	%	\$	%	\$
Facilities	\$	1	%	\$	%	\$
Professional Services	\$	4	%	\$	%	\$
ITD Services	\$	4	%	\$	%	\$

Supplies, Maint, etc.	\$3125000	1	50%	\$0	%	\$1562500
Other (Specify)	\$	1	%	\$	%	\$
Totals	\$3125000	-----	-----	\$	-----	\$1562500

Transfer this amount to the ROI Financial Worksheet, item “D” on page 14.



**B. Funding:** Enter data or provide response as requested

1. This is (pick one): ☐ A Pooled Technology Fund or Reengineering Fund Request  
☒ An Agency IT Expenditure or Budget Request (General Fund, Road Funds, etc)  
☐ Other – Specify:

2. On a fiscal year basis, enter the estimated cost by funding source?

	FY03		FY04		FY05	
	Cost (\$)	% Total Cost	Cost (\$)	% Total Cost	Cost (\$)	% Total Cost
State General Fund	\$1562500	50%	\$	%	\$	%
Pooled Tech. Fund	\$	%	\$	%	\$	%
Federal Funds	\$1562500	50%	\$	%	\$	%
Local Gov. Funds	\$	%	\$	%	\$	%
Grant or Private Funds	\$	%	\$	%	\$	%
Other Funds (Specify)	\$	%	\$	%	\$	%
Total Project Cost	\$3125000	100%	\$	100%	\$	100%

If applicable, summarize prior fiscal year funding experience for the project / expenditure.

**Response:** Routine expenditures have come from DHS Appropriation. In FY2002, The Iowa Legislature took the funding from DHS that normally covered these expenses. Continued maintenance will be contingent on available funding within the DHS appropriation.

1. On a fiscal year basis, how much of the total (\$ amount and %) project / expenditure cost would be absorbed by your agency from normal operating budgets (all funding sources)?

**Response:** Entire amount is being absorbed by agency. No additional funds are being requested.

2. Identify, list, and quantify all new annual ongoing (maintenance, staffing, etc.) related costs (State \$s) that will be incurred after implementation or expenditure.

**Response:** None

**C. ROI Financial Worksheet:** Respond to the following and transfer data to the ROI Financial Worksheet (see IVC11) as necessary:

1. Annual Pre-Project Cost – Quantify all actual state government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation. This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation.

**Response:** N/A

2. Annual Post-Project Cost – Quantify all estimated State government direct and indirect costs associated with activity, system or process after project implementation. This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.

**Response:** N/A

3. State Government Benefit -- Subtract the total “Annual Post-Project Cost” from the total “Annual Pre-Project Cost.” This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.

**Response:** N/A

4. Citizen Benefit – Quantify the estimated annual value of the project to Iowa citizens. This includes the “hard cost” value of avoiding expenses (“hidden taxes”) related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a “rule of thumb,” use a value of \$10 per hour for citizen time savings and \$.325 per mile for travel cost savings.

**Response:** Approx. 680,000 Clients Served Annually x 8% (impacted by network loss) x 1.0 hour per client (time lost) x \$10 per hour = \$544,000 (ESTIMATE)

5. Opportunity Value/Risk or Loss Avoidance Benefit – Quantify the estimated annual non-operations benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

**Response:** DHS currently receives approx. \$1.6 Billion in Federal funding for benefits as well as Matching Federal Funds for FTEs and Support. Should network infrastructure outages increase due to discontinued maintenance on reflect in delay is the distribution in benefits to the Citizens of Iowa, the Federal Government could sanction the State of Iowa. A 1/4% Sanction of the total Federal funds provided for Benefits and FTEs/Support would be \$4,000,000. Also, this expenditure qualifies the State for \$1,562,500 in federal matching funds.  
Total = \$5,562,500

6. Total Annual Project Benefit -- Add the values of all annual benefit categories.

**Response:** \$6,106,500

7. Total Annual Pro-rated Project Cost – It is necessary to estimate and assign a useful life figure to each cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of

software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all new annual ongoing costs that are project related. Completing Section IV-A, Project Budget of the evaluation document will provide all the necessary information for this item.

**Response:** \$1,562,500

8. Benefit / Cost Ratio\_– Divide the “Total Annual Project Benefit” by the “Total Annual Project Cost.” If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

**Response:**  $\$6,106,500 / \$1,562,500 = 3.9$

9. ROI -- Subtract the “Total Annual Project Cost” from the “Total Annual Project Benefit” and divide by the amount of the requested State IT project funds.

**Response:**  $(\$6,106,500 - \$1,562,500) / \$1,562,500 = 291\%$   
NO IT POOLED TECHNOLOGY FUNDS ARE BEING REQUESTED.

10. Benefits Not Readily Quantifiable -- List the project benefits which are not readily quantifiable (i.e. IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.). Rate the importance of these benefits on a “1 – 10” basis, with “10” being of highest importance. Check the “Benefits Not Readily Quantifiable” box in the applicable row.

**Response:** This normal operational cost for the DHS IT Infrastructure is necessary to maintain a readily accessible network. This network supports a wide variety of core services the department has commissioned to perform. These services range from the care of the disabled to the protection of children and families.

Delays in services can result in:

Less productivity by State Staff and Professional Contractors during extended downtime	(10)
Increased delays in benefit determination and processing	(10)
Increased mail loss of benefits	(10)
Increased mail cost for incorrectly processed benefits.	(10)
Increased manual processing time of client benefits	(10)
Increased error rates in benefit calculations	(10)
Increased sanctions from the Federal Government	(10)
Increased Appeal Claims	(10)
Increase in lawsuits against DHS.	(10)

A potential scenario that could occur is as follows:

A site offering protective services to children has lost the ability to investigate, interact and report situations due to defective DHS IT infrastructure equipment.

Due to delays in replacement or repair of equipment, information is not retrievable and staff are unable to determine if immediate removal is necessary.

During the time of inaccessibility, a child is injured or killed as a result of abuse.

The State of Iowa may face a wrongful death suit filed by relatives of child.

**11. ROI Financial Worksheet****Annual Pre-Project Cost - How You Perform The Function(s) Now**

FTE Cost (salary plus benefits):	\$ NC
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$ NC
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$ NC
<b>A. Total Annual Pre-Project Cost:</b>	\$ NC

**Annual Post-Project Cost – How You Propose to Perform the Function(s)**

FTE Cost:	\$ NC
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$ NC
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$ NC
<b>B. Total Annual Post-Project Cost:</b>	\$ NC
<b>State Government Benefit ( = A-B ):</b>	\$ \$0

**Annual Benefit Summary**

State Government Benefit:	\$ 0
Citizen Benefit:	\$544,000
Opportunity Value or Risk/Loss Avoidance Benefit:	\$5,562,500
<b>C. Total Annual Project Benefit:</b>	\$6,106,500
<b>D. Annual Prorated Cost (SECTION IV-A):</b>	\$1,562,500
<b>Benefit / Cost Ratio: (C / D) =</b>	3.9
<b>Return On Investment (ROI): (C – D / Requested Project Funds) x 100 =</b>	291%

☒ **Benefits Not Readily Quantifiable**

**Section V: ITC Project Evaluation Criteria**

<b>Criteria and Location in Project Evaluation Document</b>		<b>Points</b>
1.	Is the project a statutory requirement; legal requirement; federal or state mandate; health, safety or security requirement or issue; and/or required for compliance with the enterprise technology standards? <b>Location: Section I-A</b>	<b>15</b>
2.	Will the project improve customer service? <b>Location: Section I-B.2</b>	<b>15</b>
3.	Does the project have a direct impact on citizens? To what extent does the project help reconnect state government with lowans? <b>Location: Section I-B.3</b>	<b>10</b>
4.	Does the project provide a sufficient tangible and/or intangible return on investment? Will it generate savings or income? <b>Location: Section IV-C</b>	<b>10</b>
5.	Does the project make use of information technology and its practical application in reengineering traditional government processes consistent with the goals and objectives of the state's strategic plans? <b>Location: Section I-B.1</b>	<b>10</b>
6.	Risk: What are the risks associated with the project? Such risks may include those internal and external to state government, the risk of doing a project, the risk of not doing a project, and the risks associated with changing technologies, potential cost overruns, and changing citizen demands and needs. <b>Location: Section II-B.5</b>	<b>10</b>
7.	Is this funding required to continue a project that was begun prior to the year funding is being requested for and does it have proven past performance? Is the funding part of a multi-year strategy? <b>Location: Section II-B1, IVB2</b>	<b>10</b>
8.	Will the project be for only one agency, multiple agencies, or the state government enterprise? <b>Location: Section I-B3, IIB4</b>	<b>10</b>
9.	Has the applicant maximized their own and other resources in the project? Is alternative funding unavailable for this project? (If no other funding available, project will not be completed without Pooled Technology funding) <b>Location: Section IV-B.2, IV-B.3</b>	<b>5</b>
10.	What is the credibility of the requester based on past performance on other projects? <b>Location: Section II-A.2.d</b>	<b>5</b>
<b>Total</b>		<b>100</b>